



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

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FEDERAL JUDGE IN AUSTIN SENTENCES THIEF

United States Attorney Johnny Sutton announced that 38-year-old Tracy Morgan Saegert of Elgin, Texas, was sentenced yesterday to 18 months in federal prison after being convicted of bank fraud in association with a three-year scheme in which she stole from her employer.

In addition to the prison term, U.S. District Judge Lee Yeakel, ordered Saegert to be placed under supervised release for a period of five years after completing her prison term. Judge Yeakel also ordered Saegert to pay restitution to the victims of the fraud scheme, the law firm of Bankston & Richardson, L.L.P. (\$129,434.44) and the law firm's insurer, The Hartford (\$20,000).

On March 12, 2004, Saegert pled guilty, without a plea agreement, to an information charging one count of bank fraud. In doing so, Saegert admitted that from January of 2000 until December of 2003, she stole \$113,143.56 from her employer, Bankston & Richardson. Bankston & Richardson is a law firm in Austin, Texas which conducted its banking affairs at The Bank of Texas in Austin. Saegert was the law firm's financial administrator and entrusted with all of the firm's financial, accounting and cash flow responsibilities. Saegert used her position to forge law firm checks and initiate additional direct deposits from the law firm's operating account to her personal account during the three year fraud scheme. In addition, she used her trusted position within the firm to conceal the existence of the fraud scheme by transferring funds from other firm accounts with the bank, failing to pay payroll taxes and other creditors, intercepting correspondence from disgruntled creditors and taxing authorities and preparing false and fictitious financial data and statements. The firm suffered additional losses (\$36,290.88) associated with Saegert's failure to pay the firm's payroll taxes in a timely manner and the subsequent imposition of penalties for failure to pay payroll taxes. The scheme was discovered in 2003 when the bank had difficulties initiating the firm's regular direct deposit payroll and Saegert was out of town.

"While her co-workers were busy working hard for their paychecks, Ms. Saegert was betraying their trust by stealing over \$100,000 of the firm's money. Now, Ms. Saegert is on her way to federal prison" said United States Attorney Johnny Sutton.

This case was investigated by Federal Bureau of Investigation Special Agent Matthew J. Gravelle. Assistant United States Attorney Mark Lane prosecuted this case on behalf of the government.

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